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From the Globe.

Twentieth Congress, SECOND SESSION.

IN SENATE.

Mr. Grundy, from the committee appointed yesterday, in conjunction with a similar committee from the House of Representatives, to wait on the President of the United States, and inform him that a quorum of each House was in attendance, and that they were prepared to receive any communication he might be pleased to make, reported that they had performed that duty, and that the President had informed them that he would send a communication in writing to each House at 12 o'clock this day.

The following message was received from the President of the United States, by the hands of Andrew Jackson, Jr., Esq., his private Secretary.
Fellow Citizens of the Senate and House of Representatives:

Addressing to you the last annual message I shall ever present to the Congress of the United States, it is a source of the most heartfelt satisfaction to be able to congratulate you on the high state of prosperity which our beloved country has attained; with no causes at home or broad to lessen the confidence with which we look to the future for continuing proofs of the capacity of our free institutions to produce all the fruits of good Government, the general condition of our affairs may well excite our national pride.

I cannot avoid congratulating you and my country, particularly, on the success of the efforts made during my administration by the Executive and Legislature in conformity with the sincere, constant and earnest desire of the people, to maintain peace, and establish cordial relations with all foreign powers. Our gratitude is due to the Supreme Ruler of the Universe, and I invite you to unite with me in offering to Him fervent supplication, that his providential care may ever be extended to those who follow us, enabling them to avoid the dangers and horrors of war, consistently with a just and indispensable regard to the rights and honor of our country. But, although the present state of our foreign affairs, standing without important change, as they did when you separated in July last, is flattering in the extreme, I regret to say, that many questions of an interesting character at issue with other powers, are yet unadjusted. Amongst the most prominent of these is that of our Northeastern Boundary. With an undiminished confidence in the sincere desire of his Britannic Majesty's Government to adjust that question, I am not yet in possession of the precise grounds upon which it proposes a satisfactory adjustment.

With France our diplomatic relations have been resumed, and under circumstances which attest the disposition of both Governments to preserve a mutually beneficial intercourse, and foster those amicable feelings which are so strongly required by the true interests of the two countries. With Russia, Austria, Prussia, Naples, Sweden, and Denmark, the best understanding exists, and our commercial intercourse is gradually expanding itself with them. It is encouraged in all these countries, except Naples, by their mutually advantageous and liberal treaty stipulations with us.

The claims of our citizens on Portugal are admitted to be just, but provisions for the payment of them has been unfortunately delayed by frequent political changes in that kingdom.

The blessings of peace have not been secured by Spain. Our connections with that country are the best feeling, with the exception of our burdens still imposed upon our commerce with her possessions out of Europe.

The claims of American citizens for losses sustained at the bombardment of Antwerp have been presented to the Governments of Holland and Belgium, and will be pressed, in due season, to settlement.

With Brazil, and all our neighbors of this continent, we continue to sustain relations of amity and concord, extending our commerce with them as far as the resources of the people and the policy of their Governments will permit. The just and long standing claims of our citizens upon some of them, are yet sources of dissatisfaction and complaint. No danger is apprehended, however, that they will not be peaceably, although tardily, acknowledged and paid by all, unless the irritating effect of her struggle with Texas should unfortunately make our immediate neighbor, Mexico an exception.

It is already known to you, by the correspondence between the two Governments, communicated at your last session, that our conduct in relation to that struggle is regulated by the same principles that governed us in the dispute between Spain and Mexico herself, and, I trust, that it will be found, on the most severe scrutiny, that our acts have strictly corresponded with our professions. That the inhabitants of the United States should feel strong prepossessions for the one party is not surprising. But this circumstance should, of itself, teach us great caution, lest it lead us into the great error

of suffering public policy to be regulated by partiality or prejudice; and there are considerations connected with the possible result of this contest between the two parties, of so much delicacy and importance to the United States, that our character requires that we should neither anticipate events, nor attempt to control them. The known desire of the Texans to become a part of our system, although its gratification depends upon the reconciliation of various and conflicting interests, necessarily a work of time, and uncertain in itself, is calculated to expose our conduct to misconstruction in the eyes of the world. There are already those who, indifferent to principle themselves, and prone to suspect the want of it in others, charge us with ambitious designs and insidious policy. You will perceive, by the accompanying documents, that the extraordinary misapprehension from Mexico has been terminated, on the sole grounds that the obligations of this Government to itself and to Mexico, under treaty stipulations, have compelled me to trust a discretionary authority to a high officer of our army, to advance into territory claimed as part of Texas if necessary to protect our own or the neighboring frontier from Indian depredation. In the opinion of the Mexican functionary who has just left us, the honor of his country will be wounded by American soldiers entering, with the most amicable avowed purposes, upon ground from which the followers of his Government have been expelled, and over which there is at present no certainty of a serious effort on its part being made to re-establish its dominion. The departure of this Minister was the more singular, as he was apprised that the sufficiency of the causes assigned for the advance of our troops by the commanding General had been seriously doubted by me; and that there was every reason to suppose that the troops of the United States—their commander having had time to ascertain the truth or falsehood of the information upon which they had been marched to Nacogdoches—would be either there in perfect accordance with the principles admitted to be just in his conference with the Secretary of State, by the Mexican Minister himself, or were already withdrawn in consequence of the impressive warnings their commanding officer had received from the Department of War. It is hoped and believed that his Government will take a more dispassionate and just view of this subject, and not be disposed to construe a measure of justifiable precaution, made necessary by its known inability, in execution of the stipulations of our treaty, to act upon the frontier, into an encroachment upon its rights, or a stain upon its honor.

In the mean time, the ancient complaints of injustice, made, on behalf of our citizens, are disregarded, and new causes of dissatisfaction have arisen, some of them of a character requiring prompt remonstrance, and ample and immediate redress. I trust, however, by tempering firmness with courtesy, and acting with great forbearance upon every incident that has occurred, or that may happen, to do and to obtain justice, and thus avoid the necessity of again bringing his subject to the view of Congress.

It is my duty to remind you, that no provision has been made to execute our treaty with Mexico for tracing the boundary line between the two countries. Whatever may be the prospect of Mexico being soon able to execute the treaty on its part, it is proper that we should be, in anticipation prepared at all times to perform our obligations, without regard to the probable condition of those with whom we have contracted them.

The result of the confidential inquiries made into the condition and prospects of the newly declared Texian Government, will be communicated to you in the course of the session.

Commercial treaties, promising great advantages to our commerce, and our navigators, have been formed with the distant Governments of Muscat and Siam. The ratifications have been exchanged, but have not reached the Department of State; copies of the treaties will be transmitted to you, if received before, or published, if arriving after, the close of the present session of Congress.

Nothing has occurred to interrupt the good understanding that has long existed with the Barbary Powers, nor to check the will which is gradually growing up in our intercourse with the dominions of the Government of the distinguished Chief of the Ottoman Empire.

Information has been received at the Department of State that a treaty with the Emperor of Morocco has just been negotiated, which, I hope, will be received in time to be laid before the Senate previous to the close of the session.

You will perceive, from the report of the Secretary of the Treasury, that the financial means of the country continue to keep pace with its improvement in all other respects. The receipts into the Treasury during the present year, will amount to about \$47,601,698; those from customs being estimated at \$22,523,151; those from lands at about \$24,000,000, and the residue from miscellaneous sources. The expenditures for all objects during the year, are estimated not to exceed \$32,000,000, which will leave a balance in the Treasury for public purposes, on the first day of January next of about \$11,721,959. This sum, with the exception of five millions, will be transferred to the

several States, in accordance with the provisions of the act regulating the deposits of the public money.

The unexpended balances of appropriation on the 1st day of January next, are estimated at \$14,636,062, exceeding by \$9,636,062, the amount which will be left in the deposite banks, subject to the draft of the Treasurer of the United States, after the contemplated transfers to the several States are made. If, therefore, the future receipts should not be sufficient to meet these outstanding and future appropriations, there may be soon a necessity to use a portion of the funds deposited with the States.

The consequences apprehended, when the deposite act of the last session received a reluctant approval, have been measurably realized. Though an act merely for the deposite of the surplus moneys of the United States in the State Treasuries, for safe keeping, until they may be wanted for the service of the General Government, it has been extensively spoken of as an act to give the money to the several States, and they have been advised to use it as a gift, without regard to the means of refunding it when called for. Such a suggestion has doubtless been made without a due consideration of the obligation of the deposite act, and without a proper attention to the various principles and interests which are affected by it. It is manifest that the law itself cannot sanction such a suggestion, and that, as it now stands, the States have no more authority to receive and use these deposites without intending to return them, than any deposite bank, or any individual temporarily charged with the safe-keeping or application of the public money, would now have for converting the same to their private use, without the consent and against the will of the Government. But, independently of the violation of public faith and moral obligation which are involved in this suggestion, when examined in reference to the terms of the present deposite act, it is believed that the considerations which should govern the future legislation of Congress on this subject, will be equally conclusive against the adoption of any measure recognising the principles on which the suggestion has been made.

Considering the intimate connection of the subject with the financial interests of the country, and its great importance in whatever aspect it can be viewed, I have bestowed upon it the most anxious reflection, and feel it to be my duty to state to Congress such thoughts as have occurred to me, to aid their deliberation in treating it in the manner best calculated to conduce to the common good.

The experience of other nations admonished us to hasten the extinguishment of the public debt. But it will be in vain that we have congratulated each other upon the disappearance of this evil, if we do not guard against the equally great one of promoting the unnecessary accumulation of public revenue. No political maxim is better established than that which tells us that an imprudent expenditure of money is the parent of profligacy, and that no people can hope to perpetuate their liberties who long acquiesce in a policy which taxes them for objects not necessary to the legitimate and real wants of their Government. Flattering as is the condition of our country at the present period, because of its unexampled advance, in all the steps of social and political improvement, it cannot be disguised that there is a lurking danger already apparent in the neglect of this warning truth, and that the time has arrived when the representatives of the people should be employed in devising some more appropriate remedy than now exists, to avert it.

Under our present revenue system, there is every probability that there will continue to be a surplus beyond the wants of the Government; and it has become our duty to demand whether such a result be consistent with the true objects of our Government.

Should a surplus be permitted to accumulate, beyond the appropriations, it must be retained in the Treasury as it now is, or distributed among the people or the States.

To retain it in the Treasury, unemployed in any way, is impracticable. It is, besides, against the genius of our free institutions to lock up in vaults the treasure of the nation. To take from the people the right of bearing arms, and put their weapons of defence in the hands of a standing army, would be scarcely more dangerous to their liberties than to permit the Government to accumulate immense amounts of treasure beyond the supplies necessary to its legitimate wants. Such a treasure would doubtless be employed, at some time, as it has been in other countries, when opportunity tempted ambition.

To collect it merely for distribution to the States, would seem to be highly politic, if not as dangerous as the proposition to retain it in the Treasury. The shortest reflection must satisfy every one that to require the people to pay taxes to the Government merely that they may be paid back again, in sporting with the substantial interests of the country, and no system which produces such a result can be expected to receive the public countenance. Nothing could be gained by it, even if each individual who contributed a portion of the tax could receive back promptly the same portion. But it is apparent that no system of the kind can ev-

er be enforced, which will not absorb a considerable portion of the money, to be distributed in salaries and commissions to the agents employed in the process, and in the various losses and depreciations which arise from other causes; and the practical effect of such an attempt must ever be to burden the people with taxes, not for purposes beneficial to them, but to swell the profits of deposite banks, and support a band of useless public officers.

A distribution to the people is impracticable and unjust in other respects. It would be taking one man's property and giving it to another. Such would be the unavoidable result of a rule of equality (and none other is spoken of, or would be likely to be adopted) inasmuch as there is no mode by which the amount of the individual contributions of our citizens to the public revenue can be ascertained. We know that they contribute *unequally*, and a rule therefore that would distribute to them *equally*, would be liable to all the objections which apply to the principle of an equal division of property. To make the General Government the instrument of carrying this odious principle into effect, would be at once to destroy the means of its usefulness, and change the character designed for it by the framers of the constitution.

But the more extended and injurious consequences likely to result from a policy which would collect a surplus revenue for the purpose of distributing it, may be forcibly illustrated by an examination of the effects already produced by the present deposite act. This act, although certainly designed to secure the safe-keeping of the public revenue, is not entirely free in its tendencies from many of the objections which apply to this principle of distribution. The Government had, without necessity, received from the people a large surplus, which, instead of being employed as heretofore, and returned to them by means of the public expenditure, was deposited with sundry banks. The banks proceeded to make loans upon this surplus, and thus converted it into banking capitals, and in manner it has tended to multiply bank charters, and has had a great agency in producing a spirit of wild speculation. The possession and use of the property out of which this surplus was created, belong to the people, but the Government has transferred its possession to incorporated banks, whose interest and effort it is to make large profits out of its use. This process need only be stated to show its injustice and bad policy.

And the same observations apply to the influence which is produced by the steps necessary to collect, as well as to distribute such a revenue. About three fifths of all the duties on imports are paid in the city of New York, but it is obvious that the means to pay those duties are drawn from every quarter of the Union. Every citizen in every State, who purchases and consumes an article which has paid a duty at that port, contributes to the accumulating mass. The surplus collected there must, therefore, be made up of moneys or property withdrawn from other points and other States. Thus the wealth and business of every region from which these surplus funds proceed, must be to some extent injured, while that of the place where the funds are concentrated, and are employed in banking, are proportionably extended. But both in making the transfer of the funds which are first necessary to pay the duties and collect the surplus—and in making the re-transfer, which becomes necessary when the time arrives for the distribution of that surplus—there is a considerable period when the funds cannot be brought into use; and it is manifest that, besides the loss inevitable from such an operation, its tendency is to produce fluctuations in the business of the country, which are always productive of speculation, and detrimental to the interests of regular trade. Argument can scarcely be necessary to show that a measure of this character ought not to receive further legislative encouragement.

By examining the practical operation of the ratio for distribution, adopted in the deposite bill of the last session, we shall discover other features, that appear equally objectionable. Let it be assumed, for the sake of argument, that the surplus moneys to be deposited with the States have been collected, and belong to them, in the ratio of the federal representative population—an assumption founded upon the fact that any deficiencies in our future revenue from imports and public lands, must be made up by direct taxes, collected from the States in that ratio. It is proposed to distribute the surplus, say \$30,000,000, not according to the ratio in which it has been collected and belongs to the people of the States, but in that of their votes in the colleges of electors of President and Vice President. The effect of a distribution upon that ratio is shown by the annexed table, marked A.

By an examination of that table, it will be perceived that in the distribution of a surplus of \$30,000,000, upon that basis, there is a great departure from the principle which regards representation as the

true measure of taxation; and it will be found that the tendency of that departure will be to increase whatever inequalities have been supposed to attend the operation of our federal system in respect to its bearings upon the different interests of the Union. In making the basis of representation the basis of taxation, the farmers of the constitution intended to equalize the burdens which are necessary to support the Government; and the adoption of that ratio, while it accomplished this object, was also the means of adjusting other great topics arising out of the conflicting views respecting the political equality of the various members of the confederacy. Whatever therefore disturbs the liberal spirit of the compromises which established a rule of taxation so just and equitable, and which experience has proved to be so well adapted to the genius and habits of our people, should be received with the greatest caution and distrust.

A bare inspection, of the annexed table of the differences produced by the ratio used in the deposite act, compared with the results of a distribution according to the ratio of direct taxation, must satisfy every unprejudiced mind, that the former ratio contravenes the spirit of the constitution, and produces a degree of injustice in the operation of the Federal Government which would be fatal to the hope of perpetuating it. By the ratio of direct taxation, for example, the State of Delaware, in the collection of \$30,000,000, of revenue, would pay into the Treasury \$188,716; and in the distribution of \$30,000,000, she would receive back from the Government, according to the ratio of the deposite bill, the sum of \$306,122; and similar results would follow the comparison between the small and the large States throughout the Union; thus realizing to the small States an advantage which would be doubtless as unacceptable to them as a motive for incorporating the principle in any system which produce it, as it would be inconsistent with the rights and expectations of the large States. It was certainly the intention of that provision of the constitution which declares that "all duties, imposts and excise" shall "be uniform throughout the United States," to make the burdens of taxation fall equally upon the people in whatever State of the Union they may reside. But what would be the value of such a uniform rule if the moneys raised by it could be immediately returned by a different one which will give to the people of some States such more, and to those of others much less, than their fair proportions? Were the Federal Government to exempt, in express terms, the imports, and manufactures of some portions of country from all duties, while it imposed heavy ones on others, the injustice could not be greater. It would be easy to show how, by the operation of such a principle, the large States of the Union would not only have to contribute their just share towards the support of the Federal Government, but also have to bear in some degree the taxes necessary to support the Governments of their smaller sisters; but it is deemed unnecessary to state the details where the general principle is so obvious.

A system liable to such objections can never be supposed to have been sanctioned by the framers of the constitution, when they conferred on Congress the taxing power; and I feel persuaded that a mature examination of the subject will satisfy every one that there are insurmountable difficulties in the operation of any plan which can be devised of collecting revenue for the purpose of distributing it. Congress is only authorized to levy taxes "to pay the debts and provide for the common defence and general welfare of the United States." There is no such provision as would authorize Congress to collect together the property of the country under the name of revenue, for the purpose of dividing it equally or unequally among the States or the people. Indeed, it is not probable that such an idea ever occurred to the States when they adopted the constitution. But, however this may be, the only safe rule for us in interpreting the powers granted to the Federal Government, is to regard the absence of express authority to touch a subject so important and delicate as this is, as equivalent to a prohibition.

Even if our powers were less doubtful in this respect, as the constitution now stands, there are considerations afforded by recent experience, which would seem to make it our duty to avoid a resort to such a system.

All will admit that the simplicity and economy of the State Governments, mainly depend on the fact that money has to be supplied to support them by the same men, or their agents, who vote it away in appropriations. Hence when there are extravagant and wasteful appropriations, there must be a corresponding increase of taxes, and the people, becoming awakened, will necessarily scrutinize the character of measures which thus increase their burdens. By the watchful eye of self-interest, the agents of the State Governments are repressed, and kept within the